

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

OPEN MEETING MINUTES

May 24, 2018

The special meeting of the Maryland Small Business Development Financing Authority convened at 1:00 p.m. via teleconference.

The following were in attendance at this meeting:

Authority Members	MMG Staff
Les Hall	Anthony Williams
Gina Ramsey	Mark Harrison
Laura Pasternak	Randy Croxton
Mara Sierocinski	Tim Smoot
Clemis Kaikis	Jansen Durham-Intern
Chuck Martin	Robin Harris

Attorney General's Office
Colleen Lamont, Assistant Attorney General

AGENDA

MINUTES

April 26, 2018

May 10, 2018

NEW REQUEST

Alli Rudell, LLC dba Log Cabin Candies
TransitioningU, LLC

EXTENSION

Food Opportunity, LLC
J. Marshall & Associates, LLC
KR Contracting, Inc.
Mahogany, Inc.
Phenomenal, LLC
Unified Solutions Services, LLC

NOTE:

MoJoe Brewing Company, LLC:

The approval of the financing request to the company was rescinded. The loan will not close.

The closed session of the May 10, 2018, meeting was summarized. The Authority Board meeting was attended by Gina Ramsey, Laura Pasternak, Mara Sierocinski, Clemis Kaikis, Les Hall, and Sharon Pinder. The meeting was closed to comply with requirements of the Maryland Public Information Act so that there would not be disclosure of confidential, commercial, and financial information associated with the applicants. The meeting was held to discuss the modification requests of dealWIP, Inc., Food Opportunity, LLC, and Teleport Enterprises, Inc. dba (FLYE). All of the requests were approved.

MMG Staff presented the following minutes and extensions for approval:

MINUTES

April 26, 2018

May 10, 2018

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the minutes as presented.

EXTENSION

Presenter: Timothy Smoot

Applicant: J. Marshall & Associates, LLC

Loan Amount: a) \$400,000 EPIP Term Loan
b) \$100,000 EPIP Line of Credit

Original Approval Date: November 21, 2017

Request: Extension of the approval dates to July 26, 2018.

EXTENSION

Presenter: Timothy Smoot

Applicant: Phenomenal, LLC

Loan Amount: \$175,000 EPIP Line of Credit

Original Approval Date: March 31, 2016

Request: Extension of the approval date to July 26, 2018.

EXTENSION

Presenter: Randy Croxton

Applicant: KR Contracting, Inc.

Loan Amount: \$1,100,000 Contract Financing Line of Credit

Original Approval Date: February 24, 2014

Request: Extension of the maturity date to July 26, 2018.

EXTENSION

Presenter: Randy Croxton

Applicant: Unified Solutions Services, LLC

Loan Amount: \$120,000 Contract Financing Line of Credit

Original Approval Date: March 15, 2012

Request: Extension of the maturity date to July 26, 2018.

EXTENSION

Presenter: Randy Croxton

Applicant: Mahogany, Inc.

Loan Amount: \$1,250,000 Guaranty Fund Line of Credit (50% guaranty)

Original Approval Date: September 8, 2011

Request: Extension of the maturity date to July 26, 2018.

EXTENSION

Presenter: Anthony Williams

Applicant: Food Opportunity, LLC

Loan Amount: \$368,850 Guaranty Fund Term Loan (47% guaranty)

Original Approval Date: March 12, 2018

Request: Extension of the approval date to June 14, 2018.

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the extensions as presented.

REPORT

Presenter: Randy Croxton

Applicant: JesseJay's, LLC

Loan Amount: \$450,000 EPIP Term Loan

Original Approval Date: April 24, 2018

Comments: One of the restrictions was the annual salary of Jayleen Fonseca from JesseJay's, LLC or Corporate Guarantor (JesseJay's Company) is not to exceed \$0 during the term of the loan without prior written consent of the Authority. Due to the 401k ownership provisions of the Corporate Guarantor, Jayleen Fonseca needs to receive a salary from JesseJay's Company. The salary needed is \$15,000 and it will come from a reduction in her husband's salary as chef from \$55,000 to \$40,000.

It was recommended that the wording of the salary provision be changed to: "The combined salaries of Jayleen Fonseca and Jesus Ramirez from JesseJay's, LLC and Jesse Jay's Company cannot exceed \$55,000."

Action Taken: The request was approved on behalf of the board by Les Hall, MSBDFA Authority Board Chairman.

REPORT

Presenter: Anthony Williams

Applicant: Lessoncast Learning, Inc.

Loan Amount: \$250,000 InvestMaryland Convertible Note

Original Approval Date: February 8, 2018

Comments: One of the requirements of the term sheet was that the company show evidence of the remaining \$190,000 investment. To date, Lessoncast has provided evidence that an additional \$160,000 has been invested in the form of convertible notes as a part of this round of financing. The remaining \$30,000 is a commitment from a parent of Nicole Tucker-Smith, Alton G. Tucker, MD. She has already invested \$50,000 but the \$30,000 committed balance is currently tied up in an estate that is being liquidated. Lessoncast requested that at closing MSBDFA reduce the amount it disburses by \$30,000 and disburse the balance when MSBDFA receives evidence that the \$30,000 funding from Ms. Tucker or another source is received. It was recommended that MSBDFA accept these conditions and proceed with the closing.

Action Taken: The request was approved on behalf of the board by Les Hall, MSBDFA Authority Board Chairman.

The Meeting then closed at 1:25 p.m. upon motion made and seconded, and approved by all voting members, the meeting was closed pursuant to General Provisions Article, Section 3-305(b) (13), "to comply with a specific... statutory... requirement that prevents public disclosures about a particular proceeding or matter", that is, the Maryland Public Information Act prohibits disclosure of trade secrets, confidential commercial and confidential financial information.

APPROVED:


Celester A. Hall
Chairman

DATE:

7-2-18